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January 12, 2006

Honorable James H. Welsh  
Commissioner of Conservation  
Office of Conservation  
P. O. Box 94275  
Baton Rouge, LA 70804-4275

Re: Application for Public Hearing  
Applicant: HILCORP ENERGY COMPANY  
Lake Washington Field  
Plaquemines Parish, Louisiana  
21 Reservoir A Sand Unit (Order 149-E-1)

Dear Sir:

Hilcorp Energy Company (Applicant) hereby applies for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the 21 Reservoir A Sand Unit in the Lake Washington Field, Plaquemines Parish, Louisiana.

Applicant hereby requests an order to do the following, to-wit:

1. To dissolve the reservoir-wide unit established by Order 149-E-1, dated March 16, 1971, and to simultaneously create a unit of 2102.462 acres, more or less, for drilling and production of oil, gas and other hydrocarbons from the revised unit;
2. To establish rules and regulations for drilling and production of oil, gas and other hydrocarbons from the said unit;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created, with each tract sharing in unit production, based on the formula set out in the Unit Agreement for the said reservoir-wide unit.
4. To designate Hilcorp Energy Company as Unit Operator for the revised unit;

5. To consider such other matters as may be pertinent and appropriate under the circumstances.


The 21 Reservoir A Sand in the Lake Washington Field, Plaquemines Parish, Louisiana has been previously defined in Order No. 149-E as that oil and gas bearing zone encountered between the measured depths of 12,110 feet and 12,344 feet (ELM) in the Humble Oil and Refining Company Well No. 4, State Lease 212, located in Section 35, Township 19 South, Range 26 East, Plaquemines Parish, Louisiana.

Pursuant to the provisions of the Unit Agreement previously approved for the subject unit by Order 149-E, as revised in Order 149-E-1, the Applicant previously notified all Royalty Interest and Working Interest Owners of: (a) the completion of the Hilcorp Energy; Cockrell No. 158 Well into the 21 Sand at a point outside the existing unit boundary; and (b) of the necessity to enlarge the unit to include the acreage found to be productive in the 21 Sand which lay outside the prior unit boundary. In accordance with the Unit Agreement, geological and engineering information concerning the new well and proposed enlargement was provided to all known owners, along with a ballot requesting their approval of this application. Applicant has to date received the approval of Royalty Interest Owners owning in excess of seventy-five percent (75%) interest in the existing unit for the proposed revision to the unit and resulting amendment to the existing participation schedules. Applicant owns in excess of 75% Working Interest and anticipates no opposition to the proposed revision from the remaining Working Interest Owners. Accordingly, the applicant has requested and received approval pursuant to 43 LAC §3907.C for a waiver of the pre-application process and authorization to immediately proceed to file this application without compliance with §3915.A.1 and 4.

Attached is a plat outlining the proposed unit, including the proposed addition to the existing acreage

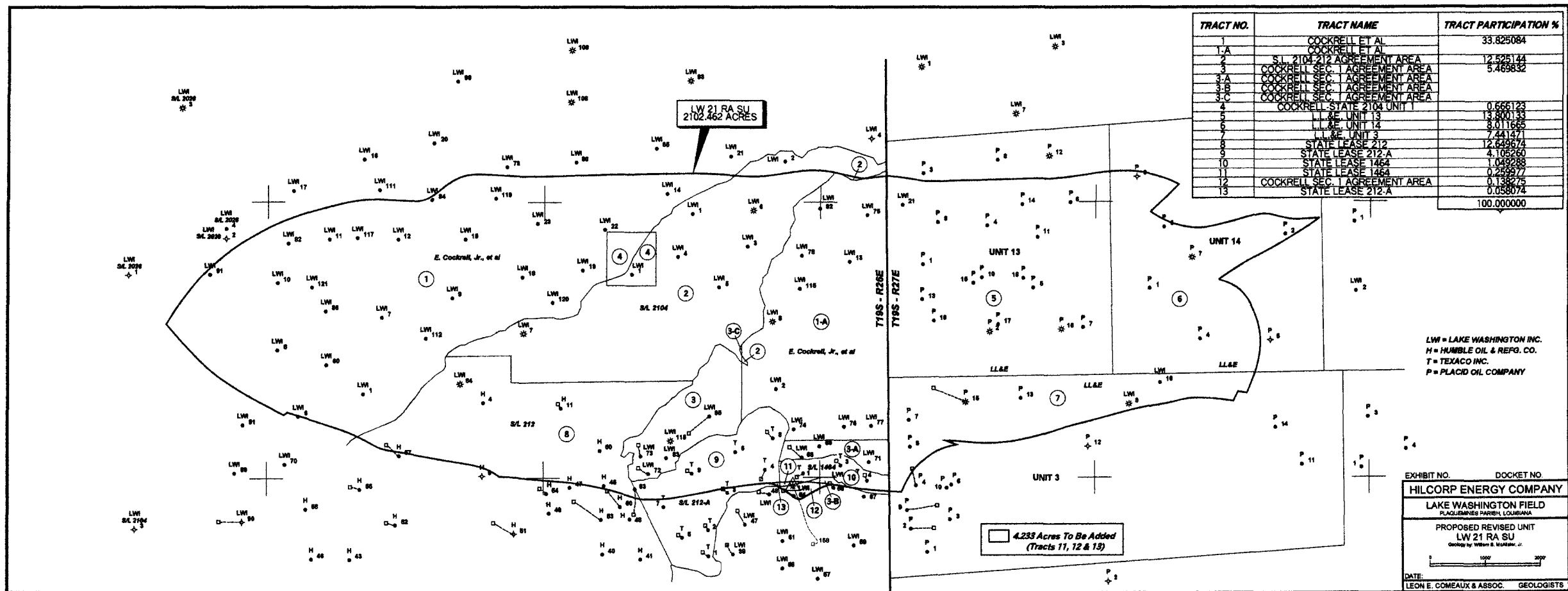
Pursuant to the Revised Rules of Procedure, a list of names and addresses of all Interested Parties, Represented Parties and Interested Owners to whom this notice is being sent is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, a list of parties will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure. Our firm's check, payable to the Office of Conservation, for the hearing fee of \$755.00, is enclosed.

Respectfully Submitted,  
**Milling Benson Woodward, L.L.P.**

  
Robert L. Cabes

RLC.83400

- cc: Mr. Richard Hudson  
District Manager  
Office of Conservation  
825 Kaliste Saloom Road  
Lafayette, LA 70508  
(w/Interested Parties List and Plat)
- cc: Interested Parties, Represented Parties and Interested Owners  
(w/Application and Plat only)



TRACT NO.	TRACT NAME	TRACT PARTICIPATION %
1	COCKRELL ET AL	33.825084
1-A	COCKRELL ET AL	
2	S/L 2104-212 AGREEMENT AREA	12.525144
3	COCKRELL SEC. 1 AGREEMENT AREA	5.469832
3-A	COCKRELL SEC. 1 AGREEMENT AREA	
3-B	COCKRELL SEC. 1 AGREEMENT AREA	
3-C	COCKRELL SEC. 1 AGREEMENT AREA	
4	COCKRELL STATE 2104 UNIT 1	0.666123
5	LL&E UNIT 13	13.800133
6	LL&E UNIT 14	8.011665
7	LL&E UNIT 3	7.441471
8	STATE LEASE 212	12.23574
9	STATE LEASE 212-A	4.105260
10	STATE LEASE 1464	1.049288
11	STATE LEASE 1464	0.259977
12	COCKRELL SEC. 1 AGREEMENT AREA	0.138275
13	STATE LEASE 212-A	0.058074
		100.000000

LWI = LAKE WASHINGTON INC.  
H = HUMBLE OIL & REFG. CO.  
T = TEXACO INC.  
P = PLACID OIL COMPANY

EXHIBIT NO. DOCKET NO.

HILCORP ENERGY COMPANY

LAKE WASHINGTON FIELD  
PLAQUEMINES PARISH, LOUISIANA

PROPOSED REVISED UNIT  
LW 21 RA SU  
Geology by: William B. McDaniel, Jr.

DATE: LEON E. COMEAUX & ASSOC. GEOLOGISTS